

U.S. ENGAGEMENT ON EXTRACTIVES GOVERNANCE

Encouraging responsible resource management by promoting global transparency standards, building technical capacity, and supporting accountable legal and regulatory regimes and sound financial management.

EXTRACTIVE INDUSTRIES TRANSPARENCY INITIATIVE (EITI)



The United States is a strong supporter of the **Extractive Industries Transparency Initiative (EITI)** and in 2014 became the first G-7 member to implement the EITI domestically. There are now 45 EITI implementing countries, and more than \$1 trillion in extractive industries revenue has been reported and reconciled globally through EITI.

The United States supports the **EITI Multi-Donor Trust Fund (MDTF)**, which provides technical assistance to EITI implementing countries. To date, the U.S. government has contributed \$13.5 million to the MDTF, the second highest of any country. USAID has also provided \$2.8 million in Fiscal Year 2013 funds to strengthen the capacity of civil society organizations to increase transparency and accountability in the extractive industries.

MANDATORY REPORTING AND GLOBAL STANDARDS

The United States was the first country to adopt mandatory reporting requirements for extractives companies listed on stock exchanges. **Dodd-Frank 1504** set a new global standard for extractives transparency that is being replicated in many major economies.

The United States is a founding member of the **Open Government Partnership**, a multilateral initiative that aims to secure concrete commitments from governments to promote transparency, empower citizens, fight corruption, and harness new technologies to strengthen governance. The United States has worked through the OGP to increase revenue transparency and accountability in the extractives sector.

The United States has also been a leader in encouraging the **G-8/G-7 and G-20** to endorse similar global standards for extractives transparency, including strong endorsement of mandatory reporting requirements through the G-8/G-7. Through the G-8 the United States has partnered with Guinea and Burma to support increased transparency in their extractives sectors. In 2014 the United States supported the G-7 launch of the **CONNEX initiative**, which seeks to assist governments to negotiate more sustainable natural resource contracts with companies.

VOLUNTARY PRINCIPLES ON SECURITY AND HUMAN RIGHTS

The United States is a founding member and currently on the Steering Committee of the Voluntary Principles on Security and Human Rights (VPs), a set of principles to guide extractive companies in conducting risk assessments and engaging with public and private security forces in a way that ensures respect for international human rights. Ghana recently became the first African country to formally join the initiative.

FISCAL TRANSPARENCY REVIEW PROCESS

As part of its annual Fiscal Transparency assessment, the Department of State assesses whether countries that receive U.S. assistance include natural resource revenues in their budgets and make public and follow the criteria they use to award natural resource contracts. The United States also provides assistance to countries to improve their fiscal transparency and public financial management, including the management of extractive industry revenues, supporting better governance and enhanced economic growth. The United States has provided \$2.7 million in Fiscal Year 2013 funds through the Fiscal Transparency Innovation Fund to support civil society and governments in 12 countries in Africa.

THE ENERGY GOVERNANCE AND CAPACITY INITIATIVE (EGCI) AND UNCONVENTIONAL GAS TECHNICAL ASSISTANCE PROGRAM (UGTEP)

The United States provides assistance to governments to promote responsible, transparent, and accountable extractives sector management. The Energy Governance and Capacity Initiative (EGCI) and Unconventional Gas Technical Assistance Program (UGTEP) work with governments to provide advice and build capacity manage their oil and gas sectors in a way that benefits their citizens and contributes to economic growth and development. Assistance focuses on the legal, financial, technical, and environmental and social challenges associated with development of conventional and unconventional resources.